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New Rice Export Policy

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Report Highlights:

On April 23rd, Secretary-2 of the State Peace and Development Council of Burma, Lt. General Soe Win, announced that Burma's government would end a 40 year policy and permit rice to be sold privately via "free trade." This report is essentially the article covering this topic which appeared in the April 24th issue of the *New Light of Myanmar* newspaper, one of two daily newspapers. Media in Burma is controlled by the SPDC.

Includes PSD changes: No
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New Rice Trading Policy

The following article (slightly paraphrased for clarity) appeared in the Government of Burma daily newspaper *New Light of Myanmar* on April 24, 2003. The article covers a press announcement made by Secretary 2, Lt. General Soe Win, where he announced that the Government of Burma would no longer be directly purchasing rice from farmers, a change in a 40-year long policy. No other official information was made available on the subject. Details of the policy changeover were not fully elaborated upon, and may be forthcoming in future announcements.

ARTICLE:

On April 23, the Secretary-2 of the State Peace and Development Council (SPDC) Lt- Gen, Soe Win met with the president of Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), the chairman of Myanmar Rice Traders Association (MRTA) and Myanmar Rice Millers Association (MRMA) and vice chairmen, general secretaries, central executive committee members, executives and members, rice merchants and millers totaling more than 200 at Zeyathiri Beikman on Konmyinthta at 2 p.m. today. In meeting with them, the Secretary-2 explained rice trading policy ending State's direct purchase of paddy and ensuring free trade of rice beginning coming years.

The new rice trading policy is as follows:

- Starting (in the) coming year the government will not buy paddy directly from farmers, and adopt the new rice trading policy ensuring free trade of the crop in the interest of the entire peasantry and helping develops the market oriented economy.

The new policy was launched to enhance the ability of the farmers and the national entrepreneur to realize the objectives and to enable farmers to produce farm goods with might and main supporting the new policy. Enabling consumers to buy rice at reasonable price with full satisfaction and to extend export of the surplus rice to earn foreign exchange in accord with export policy.

Implementation Body:

- The Myanmar Rice Trading Committee (MRTC) will be formed with the government representatives and representatives from the private enterprises to smoothly implement the new policy and to give necessary supervision, coordination and guide line.
- The Secretary General-2 of the SPDC will act as Chairman of the body, while the Minister for Agriculture and Irrigation, the Minister for Industry-1, the Minister for Commerce, the Minister of Energy, and two representatives each from UMFCCI, the MRTA and the MRA.

Duties and Functions:

- The duties of the MRTC are to give guidelines and policy concerning rice trading and distribution.
- To lay down guidelines for the formation of necessary bodies helping ensure the smooth running of the rice trading.

- To act as coordinator to build mutual understanding and trust between rice trading bodies at different levels and rice traders and farmers.
- To lay down rice export policies and to give constant supervision.
- To lay down guidance to extend summer paddy (dry season paddy) cultivation, increase yields per acre and to render assistance.
- To give supervision to solve rice trading problems.

The rights of the Committee:

- To issue permission for formation of rice trading bodies at different levels and rights.
- The authority to introduce rules and regulations concerning rice trading, transportation, milling and storage.
- The right to dissolve rice trading bodies unsuitable to continue their functions and to reorganize them.
- The decision to decide the rice requirement for export and for specified forces from time to time.
- The authority to coordinate the rice prices if there occurs any inequality in fixing prices.
- The right to lay down policies for wider formation of the UMFCCL, MRTA and the RMA.
- The right to work issuance of laws and principles.

Paddy purchase principles:

All nationals have the right to the rice trading excluding government organizations. Pricing will be according to the prevailing price and monopoly on rice trading will not be allowed to anyone or organizations.

Storage and Milling:

Paddy can be milled at the State-owned and private rice mills. The State-owned rice mills, warehouses and plots of land can be rented.

Sales and Exports:

All nationals can trade rice freely at the domestic market. Export of rice can be carried out under the guidance of the Myanmar Rice Trading Leading Committee. Rice will be exported only when there is surplus. After ten percent in export tax from export earnings that is fixed at present is paid, the rest will be shared between the government and rice exporters, that is 50 percent each. The government will stand for the investment regarding 50 percent it shares.

Rice for Specified Forces:

The rice trading associations will have to resell rice for specified forces to Myanmar Agricultural Produce Trading at the price they have purchased. The Myanmar Rice Trading Leading Committee will fix the amount of rice and places to be sent in time.

Loans:

Rice traders can get loans from the Banks. Agricultural loans will be available at the agricultural banks. The banks will disburse loans to them under the collective responsibility system.

Conclusion

The leading Committee that lays down the policies on rice trading, it is the main organization that takes responsibility for development of rice trading of the government and private sector together in accord with the policies. It said that efforts will be made constantly in the interest of the people and the farmers. Arrangements will be made for the development of rice trading in accord with the market oriented economic system between the State and the private rice entrepreneurs. It said that the new system of rice trading was aimed at ensuring local paddy price to be beneficial to the farmers. Free trade in rice will help enhance the efficiency of the rice entrepreneurs. State Organizations will not be involved in the sale and purchase of rice. It was also emphasized that as the private nationals are allowed to do rice trading, it is important for them to sell and distribute rice at reasonable price to the consumers. It is also important for them to do their business wisely for the benefit of the farmers and for themselves. It was concluded that the new rice trading policy was permitted by the GOB with noble aims and that it is to be implemented with patriotism.

ARTICLE END.

End of Report.